

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003410

SIPDIS

STATE PASS AIT/W

E.O. 12958: DECL: 10/25/2014

TAGS: [PGOV](#) [PREL](#) [TW](#)

SUBJECT: PFP CLAIMS IT IS STILL IN THE GAME

REF: A. TAIPEI 03031

[B](#). TAIPEI 03299

Classified By: AIT Deputy Director David Keegan, Reasons: 1.4 (B/D)

[1](#)1. (C) Summary: A confidante of People First Party (PFP) leader James Soong told AIT that the party has emerged from an early October KMT attempt at a hostile merger with renewed vigor. PFP Spokesman Daniel Hwang admitted that the party was close to collapse in the final days of the registration period for the December 11 Legislative Yuan (LY) election. He also acknowledged that Soong and other senior party leaders had been mentally disengaged for the past six months. However, Hwang said that Soong has regained his senses and asserted that the KMT now has no choice but to work with the PFP if it wants a shot at maintaining a Pan-Blue LY majority in December. Other PFP insiders are less upbeat, noting that the party remains deeply divided internally and distrustful of the KMT. End Summary.

PFP's Near-Death Experience

[1](#)2. (C) James Soong confidante Daniel Hwang (Yih-jiau) told AIT October 20 that the People First Party (PFP) has overcome its crisis of confidence and that the party is heading into the final stretch of the LY election with renewed vigor and energy. Hwang admitted that pressure on the party was enormous after PFP Legislators Lee Ching-an and Lee Ching-hua publicly called for merger with the KMT by October 10. He alleged that the situation was made worse by "some elements of the KMT" who wanted to marginalize the PFP by portraying the party as obstructing Pan-Blue unity. However, Hwang said, PFP members stood firm by their commitment to the party, and no open rebellion occurred. He said October 10 was the watershed, and when 41 LY candidates registered by the October 12 deadline to run under the PFP banner, everyone in the PFP knew they had "braved the storm." Hwang said that party Chairman Soong has also finally emerged from the mental haze that he has lived in since March 20 and is ready to lead the party into the December 11 election.

[1](#)3. (C) After the KMT's failed attempt at a "hostile takeover" by marginalizing Soong, Hwang told AIT that the PFP came back with a proposal to finalize a negotiated merger by the end of October. While the KMT rejected the initiative, Hwang pointed out that the KMT has done the math and now realizes that even if every one of the 85 KMT and New Party nominees got elected, they would still be short of a working majority. Hwang asserted that 31 of the 41 PFP nominees are in safe seats, and that with those numbers, the KMT and PFP supporters cannot abandon the PFP. He said that the KMT and PFP expect to sign a letter of intent to complete the integration by February 2005. Hwang explained that such a letter would give Pan-Blue supporters the impression that there is cooperation, stability and unity among the KMT, PFP, and New Party. He admitted that the Pan-Blue does not have a LY election campaign chairman, and that each party has its own campaign mechanism, but he dismissed campaign coordination as unnecessary. He said, "our unity is symbolic and that is enough," adding "Chinese people are not meticulous."

Resurrected or Placed on Life-Support?

[1](#)4. (C) Hwang's confidence in his party, however, is not shared by many of his colleagues. Many of James Soong's other advisors find it difficult to talk to Soong these days, saying that Soong prone to burst into fits of rage. PFP Public Affairs Deputy Director Liao Wen-chang told AIT that he tries to go through Soong's wife whenever he needs to report something to Soong. Former PFP International Affairs Director Raymond Wu told AIT that PFP Vice Chairman Chang Chau-hsiung has totally detached himself from party operations, and Secretary General Tsai Chung-hsiung has returned to the United States disgusted with intra-party infighting. Wu told AIT that Acting Secretary General Chin Ching-sheng, now charged with running party operations, is a former KMT "organization man" who is not trusted by Soong and is not part of his inner circle. Although Chin has been designated as the liaison to the KMT, Wu said he does not know how he can fulfill his duties since he has had a

long-standing feud with KMT Secretary General Lin Fong-cheng, the PFP's main point of contact. As for the PFP's activist LY Caucus Leader Liu Wen-hsiung, Wu said "he is nothing more than a gangster."

15. (C) When pressed on the PFP's problems, Hwang admitted that things could be better. Hwang acknowledged that Soong remains "bitter and angry," but Hwang said he has worked very hard to calm Soong down and Soong is "better now." Hwang said that Vice Chairman Chang's detachment stemmed from his opposition to merger talks with the KMT and attributed Tsai's disappearance to the SecGen's inability to get along with others in the party leadership. While acknowledging that acting SecGen Chin has many drawbacks, Hwang asserted that he is loyal and obedient, adding that "these qualities are good enough."

Comment: Party of Convenience

16. (C) The PFP as an organized political force has largely ceased to exist in the wake of the physical and/or mental disengagement of its senior leadership. Thus far, this has not eliminated the PFP from contention in the upcoming election. Those PFP candidates with high personal name recognition, perhaps not Hwang's 31 but at least two dozen, appear to be holding ground in public opinion polls, making a New Party-style collapse unlikely. However, without strong direction from the top, the PFP has evolved into an incoherent mix of moderates like spokesman Hwang, radical bomb-throwers like Caucus Leader Liu, and non-ideological political operators like acting SecGen Chin. What held these disparate groups together in the past was their shared loyalty to Soong and expectations that this loyalty would result in rewards once the Pan-Blue came to power. With Soong's political career in tatters, this contract has broken down and for many in the PFP, the question of returning to the KMT, likely on KMT terms, is now only a matter of when, not if.

PAAL